CONGRESSIONAL BUDGET OFFICE
COST ESTIMATE

January 10, 2000

H.R. 2130
Hillory J. Farias and Samantha Reid Date-Rape Drug Prohibition Act of 1999

As passed by the Senate on November 19, 1999

SUMMARY

The Controlled Substances Act of 1970 established five schedules of controlled substances, designated by Roman numerals I (greatest potential for abuse) to V (lowest potential). H.R. 2130 would direct the Attorney General to add gamma hydroxybutyric acid (GHB, also commonly referred to as a date-rape drug) to schedule I. In addition, the act would designate gamma butyrolactone (GB) as a list I chemical (a chemical needed to manufacture a controlled substance).

H.R. 2130 would direct the Secretary of Health and Human Services (HHS), within one year of enactment, to develop and implement a national awareness campaign relating to date-rape drugs. The act would require the General Accounting Office (GAO) to evaluate the effectiveness of that campaign within two years. H.R. 2130 would authorize the appropriation of such sums as may be necessary for the Attorney General to make a grant for the development of forensic field tests to detect GHB and related substances. Finally, this legislation would direct the Attorney General to develop standards and training materials for the collection of toxicology specimens and for other procedures relating to the investigation and prosecution of offenses involving GHB and similar drugs, and to prepare a report, within six months of enactment, on the level of abuse of GHB and similar drugs in the United States.

CBO estimates that implementing H.R. 2130 would cost about $1 million in fiscal year 2000 and about $7 million over the 2001-2004 period, subject to the availability of appropriated funds. Because the act could affect direct spending and receipts, pay-as-you-go procedures would apply; however, we estimate that the amounts involved would be less than $500,000 a year.

H.R. 2130 contains no intergovernmental mandates as defined in the Unfunded Mandates Reform Act (UMRA) and would impose no costs on state, local, or tribal governments. CBO

estimates that the act contains a private-sector mandate but that the costs of the mandate would fall below the threshold established in UMRA ($100 million in 1996, adjusted for inflation).

ESTIMATED COST TO THE FEDERAL GOVERNMENT

The estimated budgetary impact of H.R. 2130 is shown in the following table. The costs of this legislation fall within budget functions 550 (health), 750 (administration of justice), and 800 (general government).

	By Fiscal Year, in Millions of Dollars				
	2000	2001	2002	2003	2004
SPENDING SUBJECT TO APPROPRIATION					
Estimated Authorization Level	1	3	4	a	0
Estimated Outlays	1	2	3	2	a

a. Less than $500,000.

BASIS OF ESTIMATE

For purposes of this estimate, CBO assumes the legislation will be enacted early in 2000, that the necessary amounts will be provided for each year, and that outlays will follow the historical spending rates for similar activities.

Spending Subject to Appropriation

Based on information from HHS about a similar anti-drug program, CBO estimates that the awareness campaign required by the act would cost less than $500,000 in fiscal year 2000, $2 million to $3 million annually over the 2001-2003 period, and less than $500,000 in 2004, subject to appropriation of the necessary amounts. CBO expects that GAO would evaluate the campaign mostly in fiscal year 2002 and that this effort, like similar reviews conducted by the agency, would cost about $400,000.

Based on information from the Drug Enforcement Administration (DEA), CBO estimates that a grant for the development of forensic field tests for GHB would cost less than

$500,000 in fiscal year 2000 because a significant amount of related research already has been completed. CBO estimates that other activities that would be required of the Attorney General would cost less than $500,000 in 2000.

The act's designations for GHB and GB would increase the penalties for unauthorized manufacturing or distribution of these substances and would tighten federal control over their use. As a result, the federal government would be able to pursue cases that it otherwise would not be able to prosecute. CBO expects that any increase in federal costs for law enforcement, court proceedings, or prison operations would not be significant, however, because of the relatively small number of cases likely to be involved. Any such additional costs would be subject to the availability of appropriated funds.

Direct Spending and Revenues

Because those prosecuted and convicted of offenses established under H.R. 2130 could be subject to criminal fines, the federal government might collect additional fines if the legislation is enacted. Such fines are recorded in the budget as governmental receipts (i.e., revenues), which are deposited in the Crime Victims Fund and spent in subsequent years. CBO estimates that any additional collections as a result of this act would be less than $500,000 a year. Because any increase in direct spending from the Crime Victims Fund would equal the fines collected (with a lag of one year or more), the additional direct spending would be less than $500,000 annually.

PAY-AS-YOU-GO CONSIDERATIONS

The Balanced Budget and Emergency Deficit Control Act sets up pay-as-you-go procedures for legislation affecting direct spending or receipts. Enacting H.R. 2130 could affect both direct spending and receipts, but CBO estimates that any such effects would be less than $500,000 a year.

ESTIMATED IMPACT ON STATE, LOCAL, AND TRIBAL GOVERNMENTS

H.R. 2130 contains no intergovernmental mandates as defined in UMRA and would impose no costs on state, local, or tribal governments.

ESTIMATED IMPACT ON THE PRIVATE SECTOR

H.R. 2130 would create a new private-sector mandate for manufacturers, distributors, and dispensers of GHB and GB. The act would require such entities to register with the Attorney General and abide by the regulations for schedule I controlled substances, which govern storage, labeling, sales, and record-keeping. Application of these regulations would also require these entities to make annual reports to the Attorney General. Pharmaceutical companies and individuals engaged in drug testing, however, would be allowed to use GHB under the less restrictive schedule III regulations.

CBO expects that the costs of the mandate would fall below the threshold established in UMRA ($100 million in 1996, adjusted annually for inflation). GHB has no important commercial uses. GB is an ingredient in some nutritional supplements and a component of several industrial cleaners. There is little reason to believe, however, that the Attorney General would refuse to register firms that use or produce GB. Consequently, the most significant costs to such firms would be due to the reporting requirements.

PREVIOUS CBO ESTIMATE

On September 13, 1999, CBO transmitted a cost estimate for H.R. 2130, the Hillory J. Farias Date-Rape Prevention Drug Act of 1999, as ordered reported by the House Committee on Commerce on August 5, 1999. The legislation passed by the Senate would assign some additional tasks to the Attorney General, so this cost estimate reflects slightly higher costs in fiscal year 2000.

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